

Historic, Archive Document

Do not assume content reflects current scientific knowledge, policies, or practices.

A 61.9
F 76F

Reserve

FOREIGN AGRICULTURE CIRCULAR

U.S. DEPARTMENT OF AGRICULTURE
Foreign Agricultural Service Washington D.C.



U. S. DEPT. OF AGRICULTURE
NATIONAL AGRICULTURAL LIBRARY

OCT 13 1964

CURRENT SERIAL RECORDS

FDP 4-64
July 1964

BEAN EXPORT PROSPECTS

IN THE CARIBBEAN

In April 1964, an industry-government team^{1/} representing U.S. bean interests studied the pulse export markets of the Caribbean area. The fourfold purpose was to: (1) improve trade contacts; (2) ascertain reasons for the recent marked increase in U.S. light red kidney bean exports to the Caribbean; (3) appraise the export market potential for U.S. beans; and (4) investigate the feasibility of market development for beans.

Importers and government officials were consulted in the countries of Jamaica, the Dominican Republic, Martinique, Guadeloupe, and the territory of Puerto Rico, which comprised the study.

Dry beans, peas, and cowpeas are produced in the Dominican Republic, Jamaica, and Puerto Rico, but under climatic conditions that offer great risk. Growers risk losing one or more of their three annual plantings through drought during the growing season or rains during the maturing stage. Also, warm temperatures and high moisture favor plant molds and mosaic diseases, and storage of these crops is difficult. Very few pulses are produced in Martinique or Guadeloupe.

Pulse production has dropped 50 percent in Puerto Rico in 20 years. Bean production has dropped 23 percent in the Dominican Republic in 15 years, and 40 percent in Cuba in a similar period before the Castro regime. No reports are available since Castro (tables 1, 2, and 3). These declines are significant to U.S. bean exporters and determination should be made as to whether they are characteristic of the entire Caribbean.

^{1/} James O. Cole and Walter R. Fancher of the Bean Marketing Division, Coop. G.L.F. Exchange, Inc., Canandaigua, New York and Orval E. Goodsell, Marketing Specialist, Beans, Peas and Lentils, U.S.D.A., Washington, D. C.

All of the islands visited are sizable net importers of pulses, principally beans, and seem to be depending more and more on U.S. supplies. U.S. bean exports to the five islands visited have increased nearly 25 percent since the 1955-59 average, and for several of the individual islands the increase has been especially in very recent years (table 4). The bulk of the increase occurred in light red kidney beans (table 5). Islanders contacted attributed the increase to three principal causes:

1. Short 1963 pulse crops: The 1963 food crops reportedly were reduced by hurricane Flora which may have helped raise bean imports in 1963-64.
2. Rising standard of living: Wages have risen from 70 cents per day a few years ago to \$2.50 currently. At the lowest income levels people eat mostly cereals, starchy roots, and tubers, which are the cheapest source of calories. As income rises, they consume fewer of these foods and eat more pulses, animal products, vegetables, and fruits. This undoubtedly has helped to increase bean imports over the longer run.
3. Increased sugar quotas: From time to time, since Castro, the U.S. sugar quotas to these countries have been adjusted. In addition to their basic quotas, they have opportunity to fill a part of the global quota (quota withheld from Cuba) and to fill the Western Hemisphere portion of declared deficits in other quotas. These quotas and permitted entries totaled approximately 825,000 short tons in 1963 to the Dominican Republic and the British and French West Indies alone (excluding Puerto Rico). This tonnage compares with 81,000 tons in 1959 and represents more than a tenfold increase. At the 1963 average price of approximately \$145 per ton at origin, these sugar sales made available to these countries about \$120 million with which to buy products abroad, especially from the United States.

There are other factors which undoubtedly have also helped to increase U.S. bean exports. They are discussed separately for each island.

Dominican Republic

Of the five islands visited, the largest and most populous is the Dominican Republic, with 19,332 square miles and 3.3 million consumers. Approximately 25,000 tons of beans are produced on this island annually, plus some pigeon peas and cowpeas, for which there are no available production estimates.

The Dominican Republic, while not the largest importer of beans of the five islands, shows the greatest increase -- from 3,300 bags in 1959 to 48,800 bags in 1962 (table 6), and more than 130,000 bags in 1963-64 (table 7). The 1963-64 figure will be increased further because in late May a fourth round of import licenses was issued by the Dominican Government. The bulk of the bean imports came from the United States and nearly all were red kidney beans.

Since 1948 or earlier, the Dominican Republic Government has maintained very high import duties. These were \$4.55 per cwt., plus 23 percent of the invoice value, plus 12 percent of all taxes and duties paid. This was tantamount to an import embargo. Currently imports are controlled by a system of import licenses. A series of such licenses have been granted four different times in the current marketing season. Licenses are issued when the local pulse supply-demand situation becomes such as to cause undue price rises.

Under the new U.S. Sugar Act, the Dominican Republic's entitlement of sugar in 1963 amounts to about 392,000 tons, compared with 81,000 in 1959. At the 1964 sugar price of approximately \$108 per ton, this will make about \$40 million available to the Republic for the purchase of goods abroad, particularly from the United States. Undoubtedly, the recent change in government policy concerning import controls and the increase in the U.S. sugar quota have been important factors in increasing bean imports.

Speculation is now arising as to prospects for continued high U.S. bean exports to this market. A rough indication of the potential might be suggested by comparing the Republic with its neighbors, Cuba and Puerto Rico.

The Dominican Republic is located between Cuba and Puerto Rico, and at the same latitude. They have a similar climate, a similar agriculture, and similar food habits. The Dominican Republic is smaller and less populous than Cuba but larger and more populous than Puerto Rico. Yet, U.S. bean exports to the Dominican Republic, even at present record high levels, amount to only 4 pounds per person per year. This compares to 17 pounds per person exported to Cuba per year in pre-Castro times, and 24 pounds per person to Puerto Rico per year currently.

If the Dominican Republic should free bean imports entirely, and if per capita consumption could be upped to that existing in Cuba before Castro, Dominican imports of U.S. beans for its present population would rise to 560,000 bags annually. If the Puerto Rican pattern should develop, U.S. exports to the Dominican Republic would jump to 760,000 bags annually.

Puerto Rico

Puerto Rico, which is a U.S. territory, is the third largest of the islands visited -- 3,434 square miles -- and is second largest in

population -- 3.3 million. No tariffs or trade barriers to imports of U.S. beans exist.

Pulse production consists of the usual Caribbean beans, pigeon peas, and cowpeas. The production trend is down in all three.

Like other countries studied, Puerto Rico imports pulses from several sources, but 99 percent come from the United States. Nearly all classes of U.S. beans are imported, red kidney constituting approximately 30 percent of the total. The annual per capita imports of approximately 24 pounds of U.S. beans exceed those of any other island included in the survey, and the bean consumption rate is more than three times that of the United States.

Jamaica

Jamaica is the second largest island visited -- 4,450 square miles -- but has fewer consumers than either the Dominican Republic or Puerto Rico -- 1.7 million. The island produces, under typical Caribbean conditions, beans, pigeon peas, and cowpeas totaling approximately 350,000 bags.

Pulse imports have more than doubled from 27,000 bags in 1957, to 57,000 in 1960, and to 74,000 in 1962 -- the latest year of available Jamaican data.

Chile, Portugal, Australia, Canada and the United States, in that order, supplied 90 percent of Jamaica's pulse imports in 1962. The United States supplied 20 percent of the total -- nearly all red kidney beans (tables 8 and 9). Chile and Portugal supplied red and blackeye beans, and Australia and Canada supplied principally yellow peas.

The uptrend in Jamaican pulse imports has been principally in red beans, with U.S. red kidney beans sharing the greater part of the increase. U.S. total bean exports climbed from 400 bags in 1955-59, to 16,500 in the first 7 months of 1963-64.

Jamaican importers expressed satisfaction with the quality of red kidney beans imported from the United States. Conversely, they were unhappy with the hardness and slow cooking features of Portuguese red-spotted beans. Chilean beans seem to have been satisfactory, but question was raised concerning the necessity of transshipment at Cristobal which extended the shipping time from Chile to Jamaica to a total of 5 to 6 weeks, compared to one week from New York.

Import duties on pulses are only nominal in Jamaica, being 5.8 cents per cwt. to British Commonwealth areas and $17\frac{1}{2}$ cents per cwt. to non-British. This higher general duty is equivalent to 1.5 percent ad valorem for pulses selling at \$12.00 per cwt., c.i.f. Jamaica.

Jamaican pulse imports, even though they have risen sharply, are only about 4.4 pounds per person compared with much higher rates in other Caribbean markets. Development of a consumption pattern in Jamaica similar to that of neighboring countries would require 300 to 400,000 bags of bean imports per year, compared with the current level of 74,000 bags.

There is no breakdown of U.S. sugar quotas for Jamaica separate from the rest of the British West Indies. But the British Indies as a whole have a 1964 entitlement of approximately 143,000 tons. This means about \$15 million available for purchase of foreign goods. Normally, more than half of the total British West Indies annual sugar export has come from Jamaica.

French West Indies

The French West Indian islands of Martinique, 385 square miles, and Guadeloupe, 583 square miles, support populations of less than 300,000 each. Neither of them produces appreciable quantities of pulses. Both are importers, but import data are presently available only from Guadeloupe.

Guadeloupe imports from a dozen different countries (table 10), but the bulk has come from France and the United States; the balance from French North Africa, the Middle East, and Chile. Pulses imported from the Middle East probably have been lentils and those from North Africa, dry peas or garbanzos. Chile supplies mostly beans. Beans appear to be the main pulse imported.

France supplied 70 percent of the total in the late 1950's, but its share dropped to less than 50 percent in the last three years. Shipments from Algeria, Morocco, the Middle East, and Chile have also been curtailed sharply. The 60 percent decline in French bean production and the political realignment affecting France, Algeria, and Morocco all could have combined to reduce pulse exports from these areas to the French West Indies. It may become a permanent situation.

Notwithstanding the decline of pulse exports from France, French African territories, and elsewhere, a significant uptrend of pulse imports into French West Indies has occurred since the late 1950's. Exports reached a peak in 1963 of 51,000 cwt. to Guadeloupe alone, of which half came from the United States.

U.S. export figures do not treat Guadeloupe separately, but include the whole of the French West Indies, which encompasses 7 separate islands. Five of these islands, however, support less than five percent of the total population, and therefore, it can be assumed that the bulk of U.S. exports to the French West Indies go to Guadeloupe and Martinique -- probably in about equal proportions. Nearly all

of the U.S. exports have been red kidney beans. Total U.S. exports to the French West Indies jumped from a 200-bag average in 1955-59, to 40,000 bags in 1962-63, and to 30,000 in the first 7 months of the current year (table 11).

Import duties in the French West Indies are 11.1 percent ad valorem for beans and 9 percent for peas. Foreign trade is oriented toward France, and standby authority exists for the imposition of import embargoes, restrictions, quotas, etc., if desired. Any attempt to exercise this authority should be resisted by U.S. interests in light of present circumstances, because the islands were given a new U.S. sugar entitlement in 1964 of approximately 33,000 tons which would mostly benefit Martinique and Guadeloupe. This means about \$3.6 million available to them for purchasing goods abroad.

Development of a bean consumption pattern in the French West Indies similar to neighboring countries would require imports of 100,000 to 150,000 bags of beans per year, or 20,000 to 60,000 bags more than currently imported. Assuming continuation of present trends, the United States should share heavily in any increase.

Promotion

U.S. bean market promoters interested in the Caribbean should consider the following:

1. The three larger islands visited produce some pulses, but the long-time trend is significantly downward.
2. An uptrend of imports is evident in all markets visited and the United States is supplying a major part of the increase.
3. The major pulse imported is beans, principally U.S. red kidney beans.
4. Per capita bean imports vary from island to island from 24 pounds in Puerto Rico, to 13 pounds in Guadeloupe, to 4 pounds in the Dominican Republic and Jamaica.
5. The Dominican Republic has shown the most rapid increase, has the largest potential, and has no territorial ties such as Jamaica's ties to England, the French West Indies' ties to France, and Puerto Rico's to the United States.
6. Larger U.S. sugar quotas and entitlements to these islands undoubtedly are potent factors influencing imports of U.S. beans. This seems particularly true in the Dominican Republic, the French West Indies,

and Jamaica. It may be less true of Puerto Rico, which probably did not lack for dollars before the sugar quota was increased.

7. Bean consumption is higher in Puerto Rico than in any other island visited, which raises the question as to what is required to promote equal consumption in neighboring islands.

TABLE 1: Pulse production in Puerto Rico

Year	Beans	Pigeon peas	Cowpeas, etc.
	1,000 cwt.	1,000 cwt.	1,000 cwt.
<u>Averages:</u>			
1945-48 (4 years)	190	128	32
1952-54 (3 years)	99	87	20
1955-59 (5 years)	113	109	15
<u>Annual:</u>			
1960	79	104	11
1961	49	110	11
1962	51	116	10
1963	46	116	8

TABLE 2: Bean production in the Dominican Republic

<u>Calendar year</u>	<u>1,000 cwt.</u>
<u>Averages:</u>	
1940-44	457
1945-49	375
1950-54	489
1955-59	467
<u>Annual:</u>	
1960	537
1961	378
1962	---
1963	---

TABLE 3: Bean production in Cuba

<u>Calendar year</u>	<u>1,000 cwt.</u>
<u>Averages:</u>	
1935-39	950
1940-44	883
1945-49	902
1950-54	584
1955-59	564

TABLE 4: Beans -- U.S. exports to selected Caribbean Islands

Marketing years	<u>1/</u>	Jamaica	Dominican Republic	French West Indies	Puerto Rico	Total
		1,000 bags	1,000 bags	1,000 bags	1,000 bags	1,000 bags
Average:						
1955-59	.....	.4	4.8	.3	541.0	546.5
1960-61	.....	8.7	.1	26.3	580.0	615.1
1961-62	.....	3.9	.3	21.0	579.0	604.2
1962-63	.....	15.6	33.4	43.1	588.0	680.1
1963-64	<u>2/</u>	16.5	136.6	32.1	<u>3/</u> 210.8	396.0
<u>1/</u> Beginning September 1. <u>2/</u> Sept.-March <u>3/</u> Sept.-December						

TABLE 5: Red kidney beans -- U.S. Exports to selected Caribbean markets

Marketing years	<u>1/</u>	Jamaica	Dominican Republic	French West Indies <u>2/</u>	Puerto Rico	Total
		1,000 bags	1,000 bags	1,000 bags	1,000 bags	1,000 bags
1959-60	.....	--	0	--	--	--
1960-61	.....	8.0	0	21.0	--	29.0
1961-62	.....	14.0	.3	21.0	176.0	201.3
1962-63	.....	15.0	33.0	4.1	181.0	233.1
1963-64	<u>3/</u>	15.3	130.8	30.0	144.0	320.1
<u>1/</u> Beginning September 1. <u>2/</u> Principally Martinique and Guadeloupe. <u>3/</u> 7 months -- September 1963 to March 1964 only.						

TABLE 6: Pulses -- Dominican Republic imports by source

Calendar years	: United States	: Portugal	: Italy	: Bene-Lux	: Other	: Total
	: 1,000	: 1,000	: 1,000	: 1,000	: 1,000	: 1,000
	: <u>bags</u>	: <u>bags</u>	: <u>bags</u>	: <u>bags</u>	: <u>bags</u>	: <u>bags</u>
1959	: 1.9	: .5	: .4	: .3	: .2	: 3.3
1960	: .8	: .7	: .4	: .7	: .2	: 2.8
1961	: .4	: .8	: --	: --	: --	: 1.2
1962	: 47.6	: .9	: .3	: --	: --	: 48.8

TABLE 7: Pulses -- U.S. exports to the Dominican Republic

Marketing years ^{1/}	Beans			Peas		
	Red Kidney	Other	Total	Green	Yellow	Total
	1,000 bags	1,000 bags	1,000 bags	1,000 bags	1,000 bags	1,000 bags
Average:						
1955-59 ...	3.6	1.2	4.8	.8	.2	1.0
1959-60	--	--	--	1.0	.5	1.5
1960-61	--	--	--	--	.2	.2
1961-62 .....	.3	--	.3	.5	.3	.8
1962-63	33.4	--	33.4	1.6	.3	1.9
1963-64: <u>2/</u>	130.7	5.9	136.6	<u>3/</u> 2.9	<u>3/</u> .4	<u>3/</u> 3.3

^{1/} Beginning September 1 for beans, August 1 for peas.

^{2/} September-March. ^{3/} August-March.

TABLE 8: Pulses -- Jamaican imports by source

Year	United States	Chile	Portugal	Australia	Canada	Other	Total
	1,000 bags	1,000 bags	1,000 bags	1,000 bags	1,000 bags	1,000 bags	1,000 bags
1957	1.9	8.4	8.3	4.5	.7	3.0	26.8
1960	11.7	21.4	19.5	.9	.9	2.6	57.0
1962	14.3	23.0	15.6	3.8	14.6	2.7	74.0

TABLE 9: Pulses -- U.S. exports to Jamaica

Marketing years ^{1/}	Beans			Peas		
	Red Kidney	Other	Total	Green	Yellow	Total
	1,000 bags	1,000 bags	1,000 bags	1,000 bags	1,000 bags	1,000 bags
Average:						
1955-59 ...	.3	.1	.4	.1	.6	.7
1959-60	--	--	--	--	2.8	2.8
1960-61	8.3	.4	8.7	.2	2.2	2.4
1961-62	3.8	.1	3.9	.5	1.4	1.9
1962-63	15.2	.4	15.6	--	.7	.7
1963-64 <u>2/</u> ...	15.3	1.2	16.5	--	.2	.2

^{1/} Beginning September 1 for beans and August 1 for peas.

^{2/} Seven months, September 1963 through March 1964 for beans;
and 8 months, August 1963 through March 1964 for peas.

TABLE 10: Pulses -- Imports into Guadeloupe (French West Indies)

Source	Average		Annual			
	1950-54	1955-59	1960	1961	1962	1963
	1,000	1,000	1,000	1,000	1,000	1,000
	<u>bags</u>	<u>bags</u>	<u>bags</u>	<u>bags</u>	<u>bags</u>	<u>bags</u>
Europe:						
France	19.0	27.9	34.3	21.4	11.4	22.3
Greece	--	.9	--	.4	--	--
Netherlands	--	.1	--	.6	.5	1.8
Portugal	--	--	.1	--	--	--
Spain	--	--	--	1.8	--	.5
Total	19.0	28.9	34.4	24.2	11.9	24.6
Africa:						
Algeria	5.9	3.5	.8	.2	--	--
Madagascar	--	--	.9	.9	.4	.9
Morocco .....	.2	2.3	--	--	--	--
Tunisia .....	.4	--	--	--	--	--
Total	6.5	5.8	1.7	1.1	.4	.9
Middle East:						
Lebanon .....	.5	1.9	--	--	--	--
Syria .....	.7	.6	--	--	--	--
Turkey	--	--	1.5	3.0	3.2	.3
Total	1.2	2.5	1.5	3.0	3.2	.3
Americas:						
Chile	3.3	3.3	.4	--	--	--
Puerto Rico .....	.1	--	--	--	--	--
United States	--	--	3.1	15.2	10.7	24.9
Total	3.4	3.3	3.5	15.2	10.7	24.9
Grand total	30.1	40.5	41.1	43.5	26.2	50.7

TABLE 11: Beans 1/ -- U.S. exports to the French West Indies

Marketing year <u>2/</u>	Red kidney	Other	Total
	1,000	1,000	1,000
	<u>bags</u>	<u>bags</u>	<u>bags</u>
Average:			
1955-59 .....	.2	.1	.3
1960-61	21.1	5.2	26.3
1961-62	20.9	.1	21.0
1962-63	40.9	2.2	43.1
1963-64 <u>3/</u>	30.0	2.1	32.1

1/ No U.S. dry peas listed. 2/ Beginning September 1.
3/ Seven months through March 1964.

UNITED STATES DEPARTMENT OF AGRICULTURE

WASHINGTON, D. C. 20250

POSTAGE AND FEES PAID
U. S. DEPARTMENT OF AGRICULTURE

Official Business

NOTICE

If you no longer need this publication,
check here ☐ return this sheet,
and your name will be dropped from the
mailing list.

If your address should be changed, print
or type the new address on this sheet
and return the whole sheet to:

Foreign Agricultural Service, Rm. 5918
U.S. Department of Agriculture,
Washington, D.C. 20250.